



2009 SBA Success Story

"Reliable Service = Reliable Builders"

After Supertyphoon Pamela's devastation of Guam in 1977, Jong K. Kim realized that the island and its people needed to rebuild their lives and homes. He saw an opportunity to help the island by actively engaging in the construction business by establishing *Reliable Builders, Inc. (RBI)*.

With the high demand for new buildings and the repair/renovations of residential houses, mostly financed by the Small Business Administration (SBA) and Farmers Home Administration, the company completed nearly 65 houses within a seven year period. According to Mr. Kim, "when you think about going into a construction business, you have to consider that it is a business of three 'D's': *Difficult, Dangerous, and Dirty*".

From 1985 to 1989, an influx of investors from Asian countries descended upon the island and triggered a boom in the construction industry with new developments of hotels and high-rise condominiums. RBI became a subcontractor to large contractors from Asia and performed well which eventually led to other projects such as the Guam Capital Improvement projects as a prime contractor. However, in 1990, a sudden downturn of the Asian economy occurred and impacted the construction industry which required them to diversify and look for other contract opportunities. "A simple mistake or negligence can cause a big difference", says Kim. "We have to try to our best and think twice before making decisions." His decision to venture into military projects for both the Navy and Air Force on Guam allowed his company to grow. Yet, it did not come easily!

RBI acquired various projects through competitive bidding. In 2000, when the federal government replaced the competitive bids method to the Request For Proposal (RFP) method, RBI lost most of its project bids to large contractors. "Though our bid prices were often lower, our small sized business could not compete with the larger contractors' technical qualifications. Also, our bonding capacity had been decreased due to non-availability of projects", said Mr. Kim. "We desperately needed the SBA's assistance, and applied for the 8(a) program." The SBA's 8(a) Business Development Program is designed to assist eligible small disadvantaged business concerns compete in the American economy through business development. Typically, small businesses are eligible if it is unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are good character and citizens of the United States, and which demonstrates potential for success.

On January 22, 2001, RBI was issued the 8(a) certification by the SBA. Through the 8(a) program, RBI was awarded a sole source projects which gave them the opportunity to revive their business. With the continuous support of the SBA's 8(a) program, RBI grew to handle and acquire multi-million dollar projects such as the new Veterans Clinic. In addition, they have expanded their services outside the federal arena by completing non-federal projects such as the University of Guam's Jesus and Eugenia Leon Guerrero College of Business and Public Administration Building in Mangilao and the newly built First Hawaiian Bank in Tamuning. With current projects such as the renovation of the airstrip in Andersen AFB, Guam, RBI expects to continue to complete more projects beyond their graduation date

from the SBA 8(a) program in January 2010.

With 112 employees and yearly revenues within the past three years at approximately \$20-\$25 million, juggling life and keeping work, family, health, friends and his spirit in harmony has been a challenge for Mr. Kim. Although the company has been in operation for more than 30 years and should he decide to retire, he would want to leave his name and company name as reputable and well known within Guam's society. Yet, he contends that he is not ready to retire and continues to set high goals for the company, one of which is reliable service.